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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
[Sacramento Division]

In re:

**GREGORY G. SMITH, M.D.,
A PROFESSIONAL
CORPORATION.**

Debtor.

Case No. 20-24783-A-11
Docket Control No. [n/a]

Continued Status Conference:
Date: February 16, 2021
Time: 1:30 p.m.
Dept: A (Courtroom 28)
Hon. Fredrick E. Clement

DEBTOR IN POSSESSION'S SECOND CHAPTER 11 STATUS REPORT

Gregory G. Smith, M.D., a Professional Corporation, as debtor in possession (the "Debtor"), hereby submits its Second Chapter 11 Status Report.

I. BACKGROUND

On October 15, 2020, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor is a California professional corporation engaged in the business of providing medical services to members of the public. The Debtor has elected to have its chapter 11 case administered under subchapter V, and Lisa Holder serves as trustee in the Debtor's case. The Debtor continues to operate its business and manage its assets as a debtor in possession.

II. STATUS REPORT

A. Judicial Mediation.

Underlying this chapter 11 case are disputes between Dr. Gregory G. Smith and his spouse, on the one hand, and Dr. David Kyle and Miteshkumar Patel, on the other.

1 in regard to ownership and control of the Debtor and in regard to the operation and
2 scope of the Debtor's business. By way of an order dated January 4, 2021 (Doc.
3 133), the court appointed the Hon. Ronald H. Sargis to facilitate discussions and if
4 possible to conduct mediation in regard to these disputes, with the goal of making
5 possible a consensual resolution of the chapter 11 case. To date, Judge Sargis has
6 conducted an initial scheduling meeting and has scheduled a second such meeting; the
7 parties are also working on an agreed statement of facts to facilitate the mediation
8 process. The Debtor hopes to attend a mediation session in advance of the extended
9 deadline to file its proposed Plan of Reorganization (see below).

10 B. Plan of Reorganization.

11 By way of an order dated January 20, 2021 (Doc. 153), the court extended the
12 time by which the Debtor must file its proposed Plan of Reorganization, up to and
13 through March 15, 2021. Notwithstanding the extension, the Debtor has started
14 drafting a plan and has started the process of preparing the necessary financial
15 projections and disclosures.

16 C. Scheduling and Other Issues.

17 In light of the pending judicial mediation, on January 14, 2021, the Debtor filed a
18 motion (D.C. No. MHK-7) to extend the time under 11 U.S.C. § 365(d)(4) to assume or
19 reject its real property lease under which it is a tenant. An entity controlled by Dr.
20 Smith and/or his spouse is the Debtor's landlord. The hearing on this motion is set for
21 February 1, 2021.

22 A scheduling hearing on the Debtor's Objection to Proof of Claim No. 1 of
23 Memory Rehabilitation Medical Group (D.C. No. MHK-4) is set for February 22, 2021 at
24 1:30 p.m. The Debtor has served discovery and is awaiting responses before
25 determining if further discovery will be necessary.

26 To date, the Debtor has filed its required Monthly Operating Reports for
27 November and December 2020, and the report for January 2021 will be due on
28 February 14, 2021.

At this time, the Debtor anticipates that it will not need to seek additional relief or to schedule additional proceedings in the case until such time as the mediation session has been conducted. As such, it suggests that the Chapter 11 Status Conference be further continued to a date in late March 2021, once the extended deadline to file a proposed Plan has passed and the parties have had the chance to participate in judicial mediation.

Respectfully submitted,

Dated: Jan 27, 2021

MEEGAN, HANSCHU & KASSENBROCK

By: 
Anthony Asebedo
Attorneys for the Debtor